

MINUTES

MONTANA HOUSE OF REPRESENTATIVES 56th LEGISLATURE - REGULAR SESSION

JOINT APPROPRIATIONS SUBCOMMITTEE ON GENERAL GOVERNMENT AND TRANSPORTATION

Call to Order: By **CHAIRMAN LILA TAYLOR**, on January 29, 1999 at
8:00 A.M., in Room 402 Capitol.

ROLL CALL

Members Present:

Rep. Lila Taylor, Chairman (R)
Sen. Mike Taylor, Vice Chairman (R)
Sen. Eve Franklin (D)
Sen. Ken Mesaros (R)
Rep. Ray Peck (D)
Rep. Joe Quilici (D)

Members Excused: None.

Members Absent: None.

Staff Present: Lynn Daily, Committee Secretary
Greg DeWitt, Legislative Branch
Amy Sassano, OBPP

Please Note: These are summary minutes. Testimony and
discussion are paraphrased and condensed.

Committee Business Summary: Department of Transportation Budget
Testimony

Department of Transportation General Operations Program

EXHIBIT (jgh23a01): Dollars Spent on Physical Construction
EXHIBIT (jgh23a02): Number of FTEs required
EXHIBIT (jgh23a03): DP 10 - Microfilm Conversion
EXHIBIT (jgh23a04): DP 22 - Contractor Estimate System
EXHIBIT (jgh23a05): Computer Related Requests in the 2001
Biennium Budget Request
EXHIBIT (jgh23a06): Financial System
EXHIBIT (jgh23a07): Project Financial Systems & Interface

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Mike Randall, Information Services Chief, speaks about the computers.

- personal computers utilize the state standard management system
- involved with Interstate GIS pooled fund study
- Looking at bringing system together
- today they have the transportation information system which brings the information together
- the federal government mandates the way they track things
- SBAS cannot handle project and cost accounting
- Federal Government requires them to manage funds by project, agreement, etc.
- can only get reimbursed from accomplishments

Questions from Committee Members and Responses:

REP. QUILICI asks what the added costs from moving from PPP, and SBAS, to MT PRRIME are. **Mr. Randall** says they have teams formed within the department.

CHAIRMAN TAYLOR asks if the Federal Government mandates the system. **Mr. Randall** says they mandate the billing voucher procedures. **Bill Salisbury** says the cost is about \$450,000 plus their people's time per year and during the next session they will track this better.

Bill Salisbury speaks for the budget.

DP 1 - Travel Adjustment (page A-76)

- spent a large amount of time working in the Helena on MT PRRIME
- going to have to do training

Questions from Committee Members and Responses:

CHAIRMAN TAYLOR asks what is in the budget now for travel. **Mr. Salisbury** says they have \$178,000 in the base.

DP 2 - Highway Maps (page A-76)

- \$160,000 for a biennial appropriation

{Tape : 1; Side : A; Approx. Time Counter : 0 - 30.7}

DP 12 - Digital Media Services (page A-77)

- putting maintenance warranty on the high speed copiers
- van for digital imaging
 - warranty expired and the need a new one

DP 13 - Lockheed Contract (Page A-77)

- annualize the cost of the contract
 - \$936,417 FY00 and \$954,413 FY01
- contract for motor carrier fees

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Questions from Committee Members and Responses:

Dave Galt says the systems they use are all vital to collect fees for licences. **REP. QUILICI** asks how much is collect in fees on line. **Dave Galt** says GVW collects about \$30 Million annually and they also collect \$45 Million per year in diesel taxes. **REP. QUILICI** asks where the money goes. **Mr. Salisbury** says it all goes to the state special revenue.

CHAIRMAN TAYLOR asks about the enhancements. **Mr. Salisbury** says they annualize what they have already been paying.

DP 14 - Networking Contracted Services (page A-77)
- 11 main remote areas
- contract with local vendors to have people at these sights

Questions from Committee Members and Responses:

SEN. MESAROS asks for an example of a contract. **Mr. Randall** says U.S. West ICON Western Computers Services is an example. **Mr. Salisbury** says they try to utilize their people as much as possible.

DP 18 - Equipment Rental (page A-77)
- related to Imaging van
- rental of that from the equipment program

Questions from Committee Members and Responses:

CHAIRMAN TAYLOR asks what the rental was the last time. **Mr. Salisbury** says about \$24,000. It increased about 10%. **Jim Curry** says they are required to set rates so they don't exceed the 60 day working capital.

DP 27 - Computer Equipment and Software (page A-78)
- 4 year PC replacement cycle
- 1,400 machines
- need to replace 350 machines per year
- expansion of the network
- expansion of storage

{Tape : 1; Side : B; Approx. Time Counter : 0 - 28.3}

Questions from Committee Members and Responses:

REP. QUILICI asks what they do with the 12 Microsoft Servers. **Mr. Randall** says it organizes all of the information into an electronic record system. These are required to manage information electronically if an individual requests access to information through the Internet.

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SEN. MESAROS asks how much they are going to benefit. **Mr. Randall** says the return on an IT investment is difficult to document. They have to align processes and people have to be trained properly in order to balance.

DP 20 - DBE Supportive Services (page A-78)

- simply cannot do the jobs
- administers the Disadvantaged Business Enterprise Supportive Services Program
 - reimbursements for travel and training

DP 22 - Overtime and Differential Pay (page A-78)

- asking for in accounting and information services bureau
- no increase in differential pay
- have been hiring temporary people

EXHIBIT (jgh23a08): Historical Overtime and Differential Expenditures

Monte Brown speaks for DP 4.

DP 4 - Project Financial Management (page A-79)

- asking for 0.5 FTE for project financial management
- responsible for CARES (Cost Accounting Record Entry System)
 - involves establishment of projects
 - training
 - imperative finance
- have been operating with 3 FTE
- cannot deliver training
- have provided only one training session in the last 6 years

Questions from Committee Members and Responses:

CHAIRMAN TAYLOR asks were these addressed in an audit. **Mr. Brown** says some have been addressed in past audits. Have been addressed in terms of requirements of the Federal Government.

{Tape : 2; Side : A; Approx. Time Counter : 0 - 30.6}

Jim Curry says one luxury they do have is the difference between obligating and spending funds. He believes the FHWA will work with them and be lenient.

DP 7 - Fuel Tax Training (page A-79)

- three main areas of concern
 - fuel tax distributors that collect fuel tax
 - Montana Contractors
 - pay gas tax to state
 - refund and credit issue

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- credits for power take off unit that are for
off-road projects
- in the last year they sent one person out
 - sat down with distributors and talked
- can do without but doesn't believe it will be cost
effective

Questions from Committee Members and Responses:

SEN. MESAROS asks if the gas tax rebate has been federally mandated. **Mr. Salisbury** says just in the state. There are multiply ways to do this, but this person will be on the road a lot. They are willing to do this for a two year period. They have to audit 15% of the people every year.

Dennis Sheehy says they have done 1000 IFTA audits and probably 90% have a problem. The auditors stay on sight with each customer. If they could do the training up front, it would be cost effective.

DP 10 - TEA-21 (page A-79)
- adding FTE

DP 24 - Electronic Commerce (page A-80)
- adding more information technology

EXHIBIT (jgh23a09): Overview of Electronic Commerce

fuel distributors record every load of fuel and pay appropriate tax

- get every month
- average load changes hands about four times
- purchased this software on pilot program
 - up in June
- very versatile
- GENTRANS is the vendor
- going to take across business
- companies don't want to depend on the mail
- this will be compliant

{Tape : 2; Side : B; Approx. Time Counter : 0 - 25.5}

Jim Curry speaks about DP 17.

DP 17 - Public Information (page A-77)

- \$38,000 for customer service information roadway awareness and education
- would like to expand
- have to go in and update every year
- construction zone safety is going to be for public awareness on new speed limit law

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DP 19 - Road Reporting (page A-78)

- transferring 1.5 FTE out of General Operations to maintenance
- supposed to be updated every morning, more than once per day

DP 9 - Customer Service (Page A-79)

- would like to have MSU-Billings do a survey
- need to get more input from the people
- will deal with a lot of areas that the maintenance survey didn't

DP 16 - Investigative Services (page A-79)

- frequently run into situations about issues that may be going on concerning fraud
- once had an allegation that a private road was paved
- for use to contract with the Department of Justice to investigate such claims

Questions from Committee Members and Responses:

CHAIRMAN TAYLOR asks how they have handled this previously. **Mr. Salisbury** says they have attempted to work through the Department of Justice. They have used their own audit staff, but they are not trained investigators.

DP 11 - Utility Auditor Position (page A-79)

- make permanent a utility audit position
- what occurs prior to contracts coming into work
- moving utilities
- allocated modified FTE
- sometime 3.6 years behind on audits
- the utilities have to have records
- have done 8 training session with utilities
- will do an annual review instead of audit of every contract

Questions from Committee Members and Responses:

CHAIRMAN TAYLOR asks if they are fighting it after the fact would it pay for the person if they were doing this up front. **Mr. Curry** says there is going to be a cost avoidance. **Mr. Sheehy** says the utilities would rather do this.

DP 31 - Compliance Review Training (page A-80)

- replace funding that was from a grant by the Federal Government
- ISTEA mandated that every state belong to IFTA
- TEA-21 doesn't have the same mandate

{Tape : 3; Side : A; Approx. Time Counter : 0 - 30.3}

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- DP 33 - Motor Fuel Tax Auditors (page A-80)
- request to add two audit staff
 - in 1997 for each \$1 spent they returned \$2-\$3
 - each one of these positions would return \$200,000-\$250,000 of fuel tax money
 - out there to get people compliant
 - 3 people now
 - these two positions are important to enforcing motor fuel tax issues

- DP 42 - Administrative Support (page A-80)
- do a lot of contracted services for administrative support
 - audit staff travel about 60-70% of the time
 - 200 audits per year are done
 - requesting the use of contracted service to deal with peak time

Jean Bond, Acting Human Resource Administrator, speaks for the budget.

- DP 3 - Human Resource Legal Services (page A-76)
- \$5,000 for contracted services for pre-hearing services

Questions from Committee Members and Responses:

REP. QUILICI asks how this is done now. **Mrs. Bond** says it is now done by her staff.

CHAIRMAN TAYLOR asks how much is in the budget now. **Mrs. Bond** says \$3,200. In the last year and a half they have had two major cases for grievances and complaints.

- DP 5 - Safety & Training (Page A-76)
- Withdrawn

- DP 6 - AASHTO Training (page A-77)
- \$32,000 for training
 - previously taken out of budget that goes to training
 - 1 week training though out the U.S. for new managers or those showing management potential
 - 3 week training in Indianapolis for established managers

- DP 8 - DBE Travel/Training (page A-77)
- increase in training and travel costs
 - mandated by the Federal Government
 - previously done by a consultant
 - not cost effective
 - costs for printing updates
 - all Federal money

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DP 20 - DBE supportive Services (page A-78)

- FTE for this program
- \$29,576
- all Federal Money

DP 39 - TEL 8 System Operation and Maintenance (page A-80)

- Withdrawn

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ADJOURNMENT

Adjournment: 11:36 A.M.

REP. LILA TAYLOR, Chairman

LYNN DAILY, Secretary

LT/LD

EXHIBIT (jgh23aad)